

Multiple Agency Fiscal Note Summary

Bill Number: 5947 2S SB AMH CB H5260.2	Title: Sustainable farms and fields
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Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Washington State University	.0	5,449	5,449	.0	10,898	10,898	.0	10,898	10,898
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
State Conservation Commission	.5	99,190	99,190	.0	0	0	.0	0	0
State Conservation Commission	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Department of Natural Resources	.0	0	0	.0	0	0	.0	0	0
Department of Agriculture	.3	64,100	64,100	1.0	251,800	251,800	1.0	251,800	251,800
Total \$	0.8	168,739	168,739	1.0	262,698	262,698	1.0	262,698	262,698

Estimated Capital Budget Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Washington State University	.0	0	0	.0	0	0	.0	0	0
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
State Conservation Commission	.0	0	0	.0	0	0	.0	0	0
Department of Natural Resources	.0	0	0	.0	0	0	.0	0	0
Department of Agriculture	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

Prepared by: Leslie Connelly, OFM	Phone: (360) 902-0543	Date Published: Final 3/ 9/2020
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Individual State Agency Fiscal Note

Bill Number: 5947 2S SB AMH CB H5260.2	Title: Sustainable farms and fields	Agency: 365-Washington State University
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.0	0.0	0.0	0.0	0.0
Account					
General Fund-State 001-1	0	5,449	5,449	10,898	10,898
Total \$	0	5,449	5,449	10,898	10,898

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/04/2020
Agency Preparation: Maggie McFadden	Phone: 509-335-1614	Date: 03/05/2020
Agency Approval: Chris Jones	Phone: 509-335-9682	Date: 03/05/2020
OFM Review: Breann Boggs	Phone: (360) 902-0659	Date: 03/05/2020

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The second substitute bill does not change the fiscal impact of the original bill.

Section 3 The State Conservation Commission shall develop a sustainable farms and fields grant program in consultation with the Department of Agriculture, Washington State University, and the U.S. Department of Agriculture Natural Resources Conservation service.

Section 4 addresses how grant recipients are to be prioritized.

Section 5 addresses the verification of outcomes under the sustainable farms and fields program.

Section 5 (2) The State Conservation Commission may require that a grant recipient allow the commission, or contractors hired by the commission, including WSU extension program, access to the grant recipient's property, to monitor the results of the project funded by the grant program on the grant recipient's property.

Section 6 (3) By July 1, 2024 the State Conservation Commission in consultation with WSU must evaluate and update the most appropriate carbon equivalency metric to apply to the sustainable farms and fields grant program.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

For purposes of the fiscal note, WSU understands that the specific request for WSU has been limited to a consulting role to review proposals and provide expert opinion.

Section 5 (2) It is unclear if WSU would be chosen to access the grant recipients land and to monitor the results of the project. WSU assumes, if contracted to do so, costs would be covered by the Washington State Conservation Commission and only if there are available resources.

Estimated staffing needs include .02 FTE for a Research Associate with expertise in soils and .02 FTE for the Director to review proposals. Total fiscal impact is \$5,449 a year.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	0	5,449	5,449	10,898	10,898
Total \$			0	5,449	5,449	10,898	10,898

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		0.0	0.0	0.0	0.0
A-Salaries and Wages		4,195	4,195	8,390	8,390
B-Employee Benefits		1,254	1,254	2,508	2,508
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	5,449	5,449	10,898	10,898

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2020	FY 2021	2019-21	2021-23	2023-25
Associate in Research	74,549		0.0	0.0	0.0	0.0
Director	146,355		0.0	0.0	0.0	0.0
Total FTEs			0.0	0.0	0.0	0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact**IV. A - Capital Budget Expenditures**

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 5947 2S SB AMH CB H5260.2	Title: Sustainable farms and fields	Agency: 461-Department of Ecology
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Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/04/2020
Agency Preparation: Kim Carter	Phone: 360-407-7062	Date: 03/05/2020
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 03/05/2020
OFM Review: Lisa Borkowski	Phone: (360) 902-0573	Date: 03/05/2020

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Compared to 2SSB 5947, 2SSB 5947 AMH CB H5260.2 would not make any changes related to the Department of Ecology.

This bill would amend chapter 89.08 RCW (Conservation Districts) to direct the Washington State Conservation Commission to develop a sustainable farms and fields grant program for the purpose of enabling farmers and ranchers to adopt practices that increase appropriate quantities of carbon stored in and above their soil and to initiate or expand the use of precision agriculture on their farms. Activities eligible under the program would include: annual payments for carbon storage or reduction; up-front payments for contracted carbon storage; down payments and purchases of equipment; and purchases of seed, seedlings, spores, animal feed, and amendments.

This bill would have no new requirements on the Department of Ecology, therefore there would be no fiscal impact.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 5947 2S SB AMH CB H5260.2	Title: Sustainable farms and fields	Agency: 471-State Conservation Commission
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.0	1.0	0.5	0.0	0.0
Account					
General Fund-State 001-1	0	99,190	99,190	0	0
Total \$	0	99,190	99,190	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/04/2020
Agency Preparation: Karla Heinitz	Phone: (360)407-6212	Date: 03/06/2020
Agency Approval: Ron Shultz	Phone: 360-407-7507	Date: 03/06/2020
OFM Review: Leslie Connolly	Phone: (360) 902-0543	Date: 03/09/2020

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 3 of the bill directs the Conservation Commission to develop a sustainable farms and fields (SFF) grant program in consultation with the department of agriculture (WSDA), Washington State University (WSU), and the United States department of agriculture natural resources conservation service (NRCS). The program would provide funds through conservation districts and other public entities to assist participants implement practices on farms, ranches, and aquaculture operations to store carbon and reduce livestock emissions. It allows up to 5% of the appropriated SFF funds to be used for the administration of the program, and it also allows the SCC to expend up to 15% of SFF funds to either develop the grant program, including analytical tools and metrics, as well as an education and outreach campaign about the SFF program. The SCC can also contract this work out with public or private entities.

Section 3 of the bill also provides examples of allowable uses of the grant funds and sets a maximum of 20% of appropriated funds for a single grant applicant. Technical assistance may be included in grant projects and conservation districts and other public entities may apply for a single grant that serves multiple growers or producers. Funds may be also be used to purchase shared equipment – by coordinating individual businesses or a formal co-op, or by a conservation district for use in a shared-equipment program.

Section 3 also directs the SCC to achieve a geographically fair distribution of grants statewide across a broad group of crop types, soil management practices, and farm sizes. Approval by DNR will be required for proposed projects that would take place on leased DNR land.

Section 4 directs the SCC to consult with WSDA, WSU, and NRCS in developing prioritization metrics that will be publically available. It also directs the SCC to leverage benefits of the SFF program with nonstate, public, and private sources of money. SFF grants will be prioritized based on ability of projects to: 1) increase sequester carbon in terrestrial topsoil and aquatic soil; 2) reduce CO2 equivalent emissions in soils, nitrous oxide and methane emissions through changes to livestock or soil management; and 3) increase use of precision agricultural practices. Projects that create riparian buffers or other fish habitat enhancements will be ranked higher; conversely, projects that damages fish and wildlife habitat will be downgraded.

Section 5 directs the SCC to determine methods for measuring, estimating, and verifying outcomes under the SFF grant program in consultation with WSDA, WSU, and NRCS.

Section 6 directs the SCC to report on the performance of the SFF grant program by October 15, 2021 and every two years thereafter. The SCC will also provide a public list of projects, summary of state and federal expenditures, private funds spent, landowner matching expenditures, the total number of projects, and an estimate of carbon sequestered or emissions reduced. By July 2024, the SCC in consultation with WSU and UW must evaluate and update the most appropriate carbon equivalency metric to apply to the SFF program.

Section 7 creates a SSF account in the state treasury.

Section 8 codifies the bill language in Chapter 89.08 RCW.

Section 9 states that No public funds shall be awarded as grants 34 under this act until public funds are appropriated specifically for the sustainable farms and fields grant program.

We assume that creating and administering the sustainable farm and fields bill would require SCC staff to

- convene meetings with WSDA, WSU, and NRCS to develop this new grant program and project prioritization criteria and to review/select submitted grant applications;
- contract a public or private entity to produce analytical tools, carbon-storing or emission-reducing metrics, verification methods, and conduct outreach to growers, ranchers, and aquaculturists;
- create and distribute an RFP, execute contracts and payments for approved projects;
- update our project management database to include those carbon-storing and emission-reducing metrics for reporting purposes.
- provide an annual list of awarded grants and an estimate of carbon sequestered or carbon emissions reduced, along with biennial reports sent to the Legislature

Assuming that no funds have been appropriated to a SFF account in the state treasury for FY21, we assume our operating budget expenditures would be used to fund a 0.3 FTE Program Specialist, A 0.2 FTE Management Analyst and a 0.5 FTE Environmental Planner in this first year to create the SFF program.

For subsequent biennia, we assume no fiscal impact to the operating budget to administer and develop the SFF program, analytical tools, and metrics, and an outreach campaign because the bill allows up to 20% total to be expended for this purpose (sections 3(3) and 3(4)). Because the amount of SFF funds permitted to develop the program is set as percentage allotments in section 3, the SCC costs to administer and develop the program, e.g., FTEs, travel, contracts, etc., is scalable to the amount of funds appropriated to the SFF program. Because the amount to be appropriated in the state treasury for the SFF program is unknown, we consider these costs to be indeterminate.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The State Conservation Commission (SCC) will need to develop a grant program for the Sustainable Farm and Fields program in consultation with the department of agriculture (WSDA), Washington State University (WSU), and the United States Department of Agriculture Natural Resources Conservation Service (NRCS). This grant program will enable farmers and ranchers to adopt practices that increase the appropriate quantity of carbon stored in and above their soil and to initiate or expand the use of precision agriculture on their farms.

Because funds have not been appropriated to a SFF account at this time, we estimate the FY21 operating expenditure impact to be approximately \$100K to develop the grant program:

- A 0.3 FTE Program Specialist would be needed to administer the grant Request for Proposals (RFPs), contract language, and working with approved contractor to update the SCC project management database to incorporate carbon storing or emission reducing metrics.
- A 0.2 FTE Management Analyst and a 0.5 FTE Environmental Planner would be needed to develop, in collaboration with WSDA, WSU, and NRCS, develop the grant program, including prioritization criteria. They would coordinate with conservation districts and conduct outreach to growers and ranchers about the SFF grant program.
- \$5K in travel costs would be used for SCC staff to conduct outreach and conduct site visits when developing

the program for FY21.

For FY22 and subsequent years, the cost to administer and develop the SFF program, including analytical tools and measurement estimation is indeterminate because it is included in the SFF appropriations (up to 20% in total under sections 3(5) and 3(4) and therefore contingent on the appropriated funding level for the SFF grant program. The expenditure impact would be scalable to the amount of funding appropriated. We assume no operating expenditure impact.

Below are two examples of how the SCC could expend appropriations to implement the Sustainable Farm and Fields grant program.

If we assume an appropriation of \$2M per biennium in the SFF account, \$400K (or up to 20% of appropriations) would be expended as follows:

- \$50K per FY for the SCC to administer the grant, which would cover the cost of the 0.3 FTE Program Specialist.
 - \$100K per FY for the SCC to develop, both in-house and as contracted work, analytical tools, measurement estimation and verification methods. This would cover the cost of the 0.2 FTE Management Analyst and the 0.5 FTE Environmental Planner, travel costs for SCC staff, and to contract services for the development of analytical tools and metrics and outreach efforts.
 - \$50K in the first FY that funding is appropriated to the SFF account to update the SCC project management database to include carbon-storing and emission-reducing metrics. This cost would be reduced in subsequent years to \$10K/yr to maintain and update the carbon-storing and emission-reducing metrics in the database.
- For the SFF grant program, at least \$800K would be available to conservation districts and other public entities per year would be available to Conservation districts and other public entities to apply for grant funding to provide technical assistance and assets/supplies to growers, dairy farmers, and ranchers to develop site-specific conservation plans and to assist growers to implementing cost-effective carbon-farming and emission-reducing practices described in Section 3 (6) such as cover cropping, mulching and composting, soil nutrient management, tree/shrub/vegetation/seaweed establishment, etc. Conservation districts or formal cooperative venues could apply for the purchase of shared equipment.

Using a \$1M/biennium appropriation as an example, the SCC could expend funds to implement the Sustainable Farm and Fields as follows:

- \$25K per FY for the SCC to administer the grant, which would cover the cost of a 0.2 FTE Program Specialist.
- \$50K per FY for the SCC to develop, both in-house and as contracted work, analytical tools, measurement estimation and verification methods. This would cover the cost of the 0.2 FTE Management Analyst, travel costs for SCC staff, and over \$25K to contract services for the development of analytical tools and metrics.
- \$25K per year in the first two years is appropriated to the SFF account to update the SCC project management database to include carbon-storing and emission-reducing metrics. This cost would be reduced in subsequent years to \$10K/yr to maintain and update the carbon-storing and emission-reducing metrics in the database.

For the SFF grant program, \$400K would be available to conservation districts and other public entities per year would be available to Conservation districts and other public entities to apply for grant funding to provide

technical assistance and assets/supplies to growers, dairy farmers, and ranchers to develop site-specific conservation plans and to assist growers to implementing cost-effective carbon-farming and emission-reducing practices described in Section 3 (6) such as cover cropping, mulching and composting, soil nutrient management, tree/shrub/vegetation/seaweed establishment, etc. Coordinating individual businesses, formal cooperative venues, and conservation districts could apply for the purchase of shared equipment.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	0	99,190	99,190	0	0
Total \$			0	99,190	99,190	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		1.0	0.5		
A-Salaries and Wages		75,500	75,500		
B-Employee Benefits		21,190	21,190		
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel		2,500	2,500		
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	99,190	99,190	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2020	FY 2021	2019-21	2021-23	2023-25
Environmental Planner 4, Range 63 Step G	74,196		0.5	0.3		
Management Analyst 5, Range 64, Step L	86,064		0.2	0.1		
Program Specialist 4, Range 56, Step L	70,632		0.3	0.2		
Total FTEs			1.0	0.5		0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 5947 2S SB AMH CB H5260.2	Title: Sustainable farms and fields	Agency: 490-Department of Natural Resources
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Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/04/2020
Agency Preparation: Nicole Dixon	Phone: 360-902-1155	Date: 03/09/2020
Agency Approval: Angus Brodie	Phone: 360-902-1355	Date: 03/09/2020
OFM Review: Leslie Connelly	Phone: (360) 902-0543	Date: 03/09/2020

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This proposed legislation removes the burden from the Department of Natural Resources to participate as a consulting agency for the development of a sustainable farms and fields grant program by the Washington State Conservation commission.

Section 3 (12): Requires that any grant applications involving state lands leased from the Department of Natural Resources (DNR) must include DNR's approval. This approval process will be done within existing resources.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 5947 2S SB AMH CB H5260.2	Title: Sustainable farms and fields	Agency: 495-Department of Agriculture
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.0	0.5	0.3	1.0	1.0
Account					
General Fund-State 001-1	0	64,100	64,100	251,800	251,800
Total \$	0	64,100	64,100	251,800	251,800

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/04/2020
Agency Preparation: Gary Bahr	Phone: (360) 902-1936	Date: 03/06/2020
Agency Approval: Natasha Roberts	Phone: (360) 902-1988	Date: 03/06/2020
OFM Review: Leslie Connolly	Phone: (360) 902-0543	Date: 03/06/2020

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

5947 2S SB AMH CB H5260.2 is relating to establishing the sustainable farms and fields grant program; and adding new sections to chapter 89.08 RCW.

Sec. 3. (1) The Washington State Conservation Commission (Commission) shall develop a sustainable farms and fields grant program in consultation with the Washington State Department of Agriculture (WSDA), Washington State University (WSU), and the United States Department of Agriculture (USDA), Natural Resources Conservation Service (NRCS). (3) No more than fifteen percent of the funds may be used by the Commission to consult or contract with private or public entities, such as universities or conservation districts, to develop: (a) Educational public awareness materials and outreach about the sustainable farm and field program; or (b) The grant program, including the production of analytical tools, measurement estimation and verification methods, cost-benefit measurements, and public reporting methods. (4) No more than five percent of the funds may be used by the commission to cover the administrative costs of the program. (8) Conservation districts and other public entities may apply for a single grant from the commission that serves multiple farmers.

Sec. 4. (2) The grant program must prioritize or weight projects based on consideration of the individual project's ability to: (a) Increase the quantity of organic carbon in topsoil through such practices that include, but are not limited to, cover cropping, no-till and minimum tillage conservation practices, crop rotations, manure application, bio char application, compost application, and changes in grazing management; (b) Increase the quantity of organic carbon in aquatic soils; (c) Intentionally integrate trees, shrubs, seaweed, or other vegetation into management of agricultural and aqua cultural lands; (d) Reduce or avoid carbon dioxide equivalent emissions in or from soils; (e) Reduce nitrous oxide and methane emissions through changes to livestock or soil management; (f) Increase usage of precision agricultural practices. (5) The Commission shall downgrade a specific grant proposal within its prioritization metric if the proposal is expected to cause significant environmental damage to fish and wildlife habitat.

Sec. 5. (1) The Commission shall determine methods for measuring, estimating, and verifying outcomes under the sustainable farms and fields grant program in consultation with WSU, WSDA, and USDA NRCS. (2) The Commission may require that a grant recipient allow the Commission, or contractors hired by the commission, including the Washington State University extension program, access to the grant recipient's property, with reasonable notice, to monitor the results of the project or projects funded by the grant program on the grant recipient's property.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

The proposed legislation has no cash receipt impact on WSDA.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

We'll work to support the Commission along with WSU and USDA NRCS. At the end it says the Commission

would absorb the duties. WSDA can not adsorb the duties in that manner and anticipates .5 FTE for FY21 and 1.0 FTE for FY22 to FY25 at the Natural Resource Scientist (NRS) 2 level to be located in the Olympia Office. WSDA assumes NRS2 would lead these roles at the state office for WSDA. The primary assumptions and duties are related to the items listed in Section 3, 4, and 5. The WSDA NRS2 and other existing staff, would assist in the technical aspects of Section 3, 4, and 5.

Natural Resource Scientist (NRS) 2 level to assist in various duties related to regulation, technical assistance and educational outreach, assessment of crops and acres, and verify outcomes under the sustainable farms and fields grant program. The expenditure impact includes salary, benefits, and all associated FTE costs including agency administrative overhead, this is estimated to be \$125,900.

Agency Administrative Overhead (payroll, HR, IT and Financial Services) is calculated at the agency indirect rate of 22.2% of direct program salaries and benefits, and is shown as object 9.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	0	64,100	64,100	251,800	251,800
Total \$			0	64,100	64,100	251,800	251,800

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		0.5	0.3	1.0	1.0
A-Salaries and Wages		33,000	33,000	131,800	131,800
B-Employee Benefits		14,300	14,300	53,600	53,600
C-Professional Service Contracts					
E-Goods and Other Services		6,000	6,000	24,000	24,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service		300	300	1,200	1,200
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Administrative Overhead		10,500	10,500	41,200	41,200
Total \$	0	64,100	64,100	251,800	251,800

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2020	FY 2021	2019-21	2021-23	2023-25
NATURAL RESOURCE SCIENTIST 2	65,928		0.5	0.3	1.0	1.0
Total FTEs			0.5	0.3	1.0	1.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required